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November 19, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation, Reservoir A; and Cotton Valley
Formation, Reservoir A; CASPIANA FIELD, Caddo
Parish, Louisiana.

Dear Sir:

MATADOR PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize two (2) alternate unit wells for HOSS RA SU53 and for CV RA SU53 at the locations shown on the attached plats.
2. To find that each of the proposed wells is necessary to efficiently and economically drain a portion of the Hosston Formation, Reservoir A, underlying HOSS RA SU53, and a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SU53, which cannot be efficiently and economically drained by any existing well on these units.
3. To designate Applicant as Operator of HOSS RA SU53 and of CV RA SU53.
4. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, with production from the Cotton Valley Formation, Reservoir A, in the wellbore of any existing or future wells located on HOSS RA SU53 and CV RA SU53 in which the interests in these units are identical.
5. To discuss such other matters as may be pertinent to this application.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is defined in Office of Conservation Order No. 191-A, effective February 15, 1975.

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Pertinent data concerning this application is available for inspection at the offices of Louis F. Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

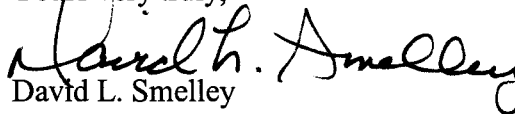
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Caspiana Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose a check payable to the Commissioner of Conservation for the application fee.

Yours very truly,


David L. Smelley

-- Attorney for Matador Production Company

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. John Durham (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)

